



State of Washington
Department of Revenue
Special Programs Division
PO Box 47477
Olympia, WA 98504-7477

REQUIREMENTS TO BECOME A WASHINGTON CIGARETTE WHOLESALER

Licensing:

Obtain a business license and cigarette wholesaler's license from the Department of Licensing at (360) 664-1400 or on the Web at www.wa.gov/dol.

Bonding:

Obtain the proper bonds from an insurance company. Bonding forms (REV 82 2060) are available from Department of Licensing and/or Revenue.

- a. **A \$5,000 Proper Performance Bond is required of every wholesaler.**
- b. For in-state cigarette wholesalers, a **Deferred Payment Bond** is required for anyone taking advantage of the 30-day deferral available for purchasing cigarette stamps. The amount of the bond is set at the highest amount that would be outstanding at any one time during a month. Those paying cash do not need this bond.
- c. **An Unstamped Cigarette Bond is required of all in-state wholesalers who will have cigarettes in inventory for longer than 72 hours that don't bear the Washington tax stamp (unstamped or other-state stamped cigarettes).** The amount of the bond is twice the tax value on the largest inventory of unstamped cigarettes you carry (over 72 hours) at any one time.

Purchasing Cigarette Tax Stamps:

Complete an "Authorization Instructions and Agreement for Electronic Funds Transfer (EFT)" (REV 82 2078) obtained from the Department of Revenue (only required if you will be purchasing cigarette tax stamps).

Cigarette Tax Stamp Equipment:

To affix the cigarette tax stamps to the packages, you will need cigarette tax stamping equipment. You should contact the Meyercord Company at:

The Meyercord Company
Rudy Robles, Western Sales Representative
6528 Greenleaf Ave., Suite 215
Whittier, CA 90601-4144
(562) 945-3626

Sales of Export and Tax Exempt Cigarettes:

Sales of export and tax exempt cigarettes by in-state wholesalers must be reported monthly to the Department of Revenue on a Schedule C (REV 82 2103), which can be obtained from the department at the address and telephone number listed below. The form is also available on the Department of Revenue website at www.dor.wa.gov. Sales of cigarettes into Washington by out-of-state wholesalers must also be reported monthly on a Schedule C.

Shipments of Unstamped Cigarettes:

Pre-notification to the Washington State Liquor Control Board is required for all shipments of unstamped cigarettes in Washington unless delivery is in the licensed and bonded cigarette wholesaler's own vehicle (see RCW 82.24.250). Obtain pre-notification forms from the Liquor Control Board at (360) 586-0263. Request Form LIQ 662-61 (7-97).

If you have any questions, please call (360) 753-5564, or write to:

Department of Revenue
Special Programs Division
Cigarette Tax Program
PO Box 47477
Olympia WA 98504-7477

See reverse side for information on cigarette sales to Native American Tribes

REQUIREMENTS FOR TAX-EXEMPT CIGARETTE SALES TO INDIAN RETAILERS

Licensing and Bonding:

Complete all steps to become a Washington licensed and bonded cigarette wholesaler.

Approval Prior to Delivery:

For each delivery order for tax-exempt cigarettes from an Indian retailer, obtain approval **in advance of tax exempt stamping and delivery** that the number of cartons to be sold is within the annual allocation of tax-exempt cigarettes available to that tribe or retailer. The Department of Revenue will also verify that the retailer is authorized by the tribe to participate in the tribe's allocation process.

Delivery:

Tax-exempt cigarette sales to Indian retailers must be delivered by a bonded carrier or in the wholesaler's own vehicle to the Indian reservation. Delivery at the wholesaler's dock or to any other off-reservation location is prohibited.

Stamps:

Cigarettes must bear a Washington cigarette stamp, whether they're taxed or not. Cigarettes sold to non-Indian purchasers by Indian retailers must have the Washington tax-paid stamp affixed to evidence payment of the cigarette tax. Sales of tax-exempt cigarettes to Indian purchasers by Indian retailers must have Washington's green, tax-exempt stamp affixed. Tax-exempt stamps are available from the Department of Revenue at no cost.

A stamping allowance is paid to cigarette wholesalers for the green tax-exempt stamps they have affixed. This form (REV 82 2104) is available from the Department of Revenue.

Sales to Indian retailers above and beyond the annual allocation process must bear the Washington cigarette tax paid stamp.

Reports Required:

Sales of tax-exempt cigarettes must be reported monthly to the Department of Revenue on Schedule C (REV 82 2103), which can be obtained from the Department of Revenue at the address and telephone number listed below. The form is also available on the Department of Revenue website at www.dor.wa.gov.

If you have questions, please call (360) 753-5564, or write to:

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To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 753-3217. Teletype (TTY) users please call (800) 451-7985. You may also access tax information on our Internet home page at <http://dor.wa.gov>.